GOVERNMENT OF INDIA
ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2944
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Benefits of Digital Economy
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Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:
(a) the aspects of the economy likely to be worked on in future in the backdrop of the introduction of new policy by the Government to create digital economy and increase electronic manufacturing;
(b) whether the digital economy is likely to benefit the Industrial sector more;
(c) if so, the details thereof and the action taken by the Government to take the benefit to every sector of the economy; and
(d) If not, the other economic sectors likely to be benefitted by the digital economy?

Answer

(a) to (d): The digital economy consists of Information Technology (IT) /Information Technology Enabled Services (ITeS), Electronics, Telecommunications, e-Commerce, Digital payments, Cyber Security, Internet of Things (IoT), Digital Skilling, etc. Considering the current and upcoming opportunities in the digital economy in above mentioned areas, it is estimated by several reports that the size of digital economy would grow to over 1 Trillion US Dollars (USD) by 2024-25. In the recently held meeting between Ministry of Electronics and Information Technology (MeitY) and NASSCOM (National Association of Software & Services Companies), IT/ITeS and Electronics Industries on 16thJune, 2017, the industry leaders also agreed on this and expressed commitment to achieve it in shorter span of time.

The digital economy is already contributing to the growth of industrial sector. The operational efficiency and benefits to all sectors of the economy, including the industrial sector, will further increase with greater use of digital technologies. The introduction of Goods and Services Tax (GST) is a very significant step in the field of indirect tax reforms in India. The implementation of GST has been made possible due to the implementation of the Goods and Services Tax Network (GSTN). GSTN has selected 34 IT, ITeS and financial technology companies, to be called GST Suvidha Providers (GSPs). GSPs would develop applications to be used by taxpayers for interacting with GSTN.

Promotion of electronics hardware manufacturing is one of the pillars of Digital India campaign of the Government. The National Policy on Electronics (NPE 2012) was notified in October 2012 with the vision to create a globally competitive electronics design and manufacturing industry to meet the country"s needs and serve the international market. Over the last few years, Government has taken several holistic, investor friendly and market driven initiatives towards creating a conducive environment for attracting investment in the Electronics System Design and Manufacturing (ESDM) sector. The mobile handset and components manufacturing has emerged as one of the flagship sectors under 'Make in India' initiative. Significant manufacturing capacities have been set up in India during the last two years in this sector. Over 70 new plants for manufacturing of mobile handsets and components have been set up during this period and the sector has already generated about 1 lakh direct employment.

Besides promotion of electronics manufacturing, major policies / schemes formulated to facilitate and support promotion of digital economy including IT/ITeS are India Business Process Outsourcing (BPO) Promotion Scheme, North East BPO Promotion Scheme,Empanelment of Cloud Service Providers for public requirement, Public Procurement (Preference to Make in India), Order 2017 and IT Procurement Guidelines. Several steps have been taken for promotion of Innovation and R&D in the ESDM sector, which are detailed at Annexure.

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Annexure

Promotion of Innovation and R&D

1. Electronic Development Fund (EDF) policy has been operationalized to support Daughter Funds in the area of Electronics System Design and Manufacturing, Nano-electronics and IT. The fund is housed in Canbank Venture Capital Fund Ltd. The supported Daughter Funds will promote innovation, R&D, product development and within the country.
2. Keeping in view the huge indigenous requirement on account of roadmap for digitalization of the broadcasting sector, Conditional Access System, entitled iCAS has been developed to promote indigenous manufacturing of Set Top Boxes (STBs). The iCAS is available to domestic STB manufacturers at a price of USD 0.5 per license for a period of three years as against market price of USD 4-5 per license for other competing products. The implementation of iCAS in the cable networks is underway.
3. An Electropreneur park has set up in New Delhi for providing incubation for development of ESDM sector which will contribute IP creation and Product Development in the sector.

4. National Centre of Excellence in Large Area Flexible Electronics (NCFLEX) has been set up in IIT-Kanpur with the objectives to promote R&D; Manufacturing; Ecosystems; Entrepreneurship; International Partnerships and Human Resources and develop prototypes in collaboration with industry for commercialization.
5. National Centre of Excellence for Technology on Internal Security (NCETIS) has been set up at IIT-Bombay with the objective to address the internal security needs of the nation on continuous basis by delivering technology prototypes required for internal security and to promote domestic industry in internal security.
6. Centre for Excellence on Internet of Things (IoT) has been set up in Bengaluru jointly with NASSCOM.
7. An Incubation center with focus on medical electronics has been set up at Indian Institute of Technology-Patna.
8. An Incubation Center at Kochi with focus on consumer electronics is being set up at IIITM.
9. A fabless chip design incubator centre is being set up at IIT Hyderabad to incubate start-ups in semiconductor design. This Incubator will incubate 50 start-ups over a period of 5 years.
10. The Ministry of Electronics and Information Technology (MeitY) provides funding under several schemes for promotion of R&D, including support for International Patents in Electronics & IT (SIP-EIT); Multiplier Grants Scheme and Scheme for Technology Incubation and Development of Entrepreneurs (TIDE) in the area of Electronics, ICT and Management.
11. MeitY has approved a project to be implemented by Global Innovation and Technology Alliance (GITA) to promote Innovation, IP, R&D and commercialization of products, etc. in the ESDM sector by providing funding support to an Industry, for doing collaborative research with an Academic Institute in the priority areas with a timeline of not more than two years.
12. MeitY has approved a project being implemented by Biotechnology Industry Research Assistance Council (BIRAC) to promote scientific and technological research in Medical Electronics sector in India to address the pressing challenges associated with the development of innovative medical electronics and making it available, accessible and affordable to the people at the bottom of the pyramid.

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